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WASHINGTON, D. C. 20036

ROBERT J. CORBER

(202) 429-8108

December 16, 1988

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Room 2215
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION
Commission

DEC 16 1988 10:10 AM

RECORDATION NO. 16036-C Filed 1425

No. 8--351A100

Date DEC 16 1988

Fee \$ 13.00

ICC Washington, D.C.

Dear Ms. McGee:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and three (3) copies of the document hereinafter described. The Document relates to the railroad equipment identified below.

1. Amendment No. 1 dated as of September 1, 1987 between Brae Transportation, Inc., lessor, and Kyle Railroad Company, lessee.

The equipment subject to this document consists of 452 rail covered hopper cars bearing KYLE marks as stated in the document.

The names and addresses of the parties to the document are as follows.

Lessor: Brae Transportation, Inc.
One Hundred Sixty Spear Street
San Francisco, CA 94105

Lessee: Kyle Railroad Company
Third and Railroad Ave.
Phillipsburg, Kansas 67661

Please file and record the document and index it under the names set forth above. Since this is a secondary document related to the Lease Agreement recorded under Recordation Number 16036, it is requested that this document be given the next available letter designation under Recordation Number 16036. We are informed that the next available letter designation is C.

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the person presenting this letter.

*Counterpart -
12/16/88*

Ms. Noreta R. McGee
December 16, 1988
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A short summary of the document to appear in the index follows:

1. Amendment No. 1 dated as of September 1, 1987 between Brae Transportation, Inc., and Kyle Railroad Company covering 452 rail covered hopper cars bearing KYLE marks as stated in the document.

Since this document also relates to the Equipment Lease Agreement previously recorded under Recordation No. 13188, it is requested that this document be cross-indexed under that Recordation Number. It is further requested that the following which are related to the foregoing documents, be cross-indexed under Recordation Number 13188:

1. Lease Agreement dated as of June 13, 1986 between Brae Transportation, Inc., and Kyle Railroad Company, assigned Recordation Number 16036.

2. Equipment Schedule No.3 dated as of October 19, 1988 between Brae Transportation, Inc., and Kyle Railroad Corporation, assigned Recordation Number 16036B.

Very truly yours,



Robert J. Corber
Attorney for Brae
Transportation, Inc.

Enclosures as stated

AMENDMENT NO. 1

DEC 16 1988 10-10 AM

Amendment No. 1 dated as of ~~October 15~~ ^{September 1}, 1987 between BRAE TRANSPORTATION, INC., 160 Spear Street, Suite 1600, San Francisco, California 94105 ("BRAE") and KYLE RAILROAD COMPANY, Third and Railroad Avenue, Phillipsburg, Kansas 67661 ("LESSEE")

RECITALS

Pursuant to the Lease Agreement dated as of June 13, 1986 (the "Agreement"), BRAE is currently leasing 455 covered hopper cars (the "Cars") to LESSEE, as set forth in Equipment Schedule No. 2 attached hereto.

BRAE and LESSEE now desire to amend certain portions of the Agreement.

In consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

AGREEMENTS

1. Defined Terms. The terms used in this Amendment No. 1 which are defined in the Agreement shall have the same meanings herein as specified therein, except when specifically redefined.

2. Equipment Schedule. The Agreement shall cover those railcars listed and identified in Equipment Schedule No. 2 attached hereto.

3. Amendment to Section 2 of the Agreement. Section 2 of the Agreement shall be deleted in its entirety and the following new sentence shall be substituted therefore:

"The lease pursuant to this Agreement with respect to each Car shall commence when such Car has been delivered, as provided in Section 3A hereof, and shall continue until (the "Lease Term")."

4. Amendment to Section 3D of the Agreement. The first sentence contained in Section 3D shall be deleted in its entirety and the following new sentence shall be substituted therefore:

"BRAE has at any time the right, upon days written notice, to replace any or all of the Cars, including destroyed Cars, with new, used or rebuilt Cars of the same general class and type."

5. Amendment to Section 6A(iii) of the Agreement. Section 6A(iii) shall be deleted in its entirety and the following new section shall be substituted therefore:

"Utilization - the term "Utilization" shall mean, with respect to any period, a fraction, the numerator of which is (x) the total Payments earned during such period, and the denominator of which is (y) the aggregate number of Car Hours during such period multiplied by the then applicable hourly car hire rate, plus the aggregate number of Car Days (Car Hours divided by 24) during such period multiplied by the then applicable mileage rate, multiplied by the actual average miles travelled per day per Car during such period. The applicable hourly car hire and mileage rates shall be determined pursuant to the Hourly and Mileage Car Hire Rate Table."

6. Amendment to Section 6B of the Agreement. Section 6B shall be deleted in its entirety and the following new section shall be substituted therefore:

"B. LESSEE agrees to pay the following rent to BRAE for the use of the Cars:

(i)

(ii)

(iii)

(iv)

7. Amendment to Section 6E of the Agreement. The paragraph contained in Section 6E shall be deleted in its entirety and the following new paragraph shall be substituted therefore:

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of
the 1st day of September, 1987.

BRAE TRANSPORTATION, INC.

By 

Title CORPORATE SECRETARY

Date _____

KYLE RAILROAD COMPANY

By 

Title _____

Date _____

EQUIPMENT SCHEDULE NO. 2

BRAE Transportation, Inc. ("BRAE"), hereby leases the following railcars to Kyle Railroad Company ("LESSEE") pursuant to that certain Lease Agreement dated as of June 13, 1986, as amended (the "Agreement").

<u>Number of Cars</u>	<u>Description</u>	<u>A.A.R. Designation</u>
455	4600 to 4750 cu. ft. 100-ton capacity Covered Hopper Cars	LO
- 3		

Car Number(s)

KYLE 4105-4154, 4200	KYLE 7000, 7003, 7005-7007,
KYLE 16100-16499	7012-7013, 7017,
KYLE 102300-102424*	7021-7022, 7024,
KYLE 260125, 260127,	7027, 7029-7030,
260130, 260132-260133,	7034-7035, 7039-7042,
260136, 260138-260139,	7044, 7046, 7051,
260142, 260145,	7054-7056, 7061-7062,
260148-260149,	7067-7068, 7071,
260151-260152,	7073-7074, 7080, 7083,
260154, 260162,	7085, 7087-7088, 7092,
260168-260169,	7094-7095, 7097,
260171, 260173,	7106, 7111, 7114,
260177, 260179-260184,	7117-7118, 7120,
260186, 260189,	7123-7124, 7126-7127,
260191, 260195-260196,	7129, 7131, 7133,
260198-260200 25	7136, 7141-7142,
KYLE 260325-260390,	7145-7149, 7153,
260392, 260397, 260402,	7164-7165, 7170-7171,
260410-260424	7174, 7177, 7180,
	7183, 7186-7188,
	7190, 7195, 7197

* Excluding KYLE 102378

BRAE and LESSEE hereby agree that this Equipment Schedule No. 2 shall supersede Equipment Schedule No. 1 and such Equipment Schedule No. 1 shall become null and void as of the date hereof.

BRAE and LESSEE hereby incorporate by reference all of the terms, conditions and provisions of the Agreement in this Schedule.

IN WITNESS WHEREOF, the parties have executed this Schedule as of the 1st day of September 1987.

BRAE TRANSPORTATION, INC.

By [Signature]

Title CORPORATE SECRETARY

Date _____

KYLE RAILROAD COMPANY

By [Signature]

Title _____

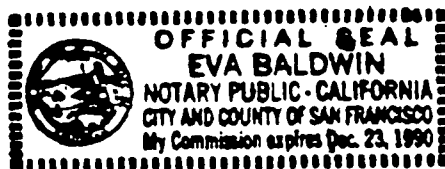
Date _____

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

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) SS
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On this 18th day of December, 1987, before me personally appeared LYNN T. CECIL, to me personally known, who being by me duly sworn says that such person is Executive Vice-President of KYLE RAILROAD COMPANY, and that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

[seal]



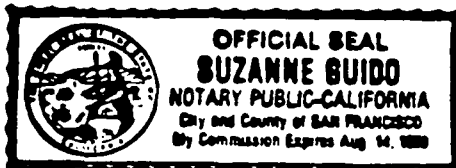
Eva Baldwin
Notary Public

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

)
) SS
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On this 1st day of September, 1987, before me personally appeared Leann Lloyd, to me personally known, who being by me duly sworn says that such person is Corp. Secretary of BRAE TRANSPORTATION, INC., and that the foregoing Amendment No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments were the free acts and deeds of such corporation.

[seal]



Suzanne Guido
Notary Public